



FY2013 Performance and Accountability Report

**Montgomery County
Department of Economic Development**





Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



DED Alignment to County Priority Objectives

Montgomery County Priority Objectives

- **A Responsive and Accountable Government**
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- **Healthy and Sustainable Communities**
- Safe Streets and Secure Neighborhoods
- **A Strong and Vibrant Economy**
- **Vital Living for All of Our Residents**

DED Headline Performance Dashboard

<u>Headline Performance Measure</u>	<u>FY12 Results</u>	<u>FY13 Results</u>	<u>Performance Change</u>
Number of New Business Starts	6	30	
Jobs Created by Business Expansions, Attractions, and Start-Ups through DED Involvement	1,467	903	
Jobs Retained by Business Expansions, Attractions, and Start-Ups through DED Involvement	9,891	1,392	
Total New Capital Investment by Business Expansions, Attractions, and Start-ups through DED involvement (in millions)	\$521M	\$17M	
Net New Commercial Space Occupied by Business Expansions, Attractions, and Start-Ups through DED involvement (sq. feet)	685,307 sq feet	232,206 sq feet	
Number of Businesses Assisted (Permits, Zoning, Exports, B2B, Introductions, Land-Use, etc.)	160	319	

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Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



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DED Headline Performance Dashboard (cont.)

<u>Headline Performance Measure</u>	<u>FY12 Results</u>	<u>FY13 Results</u>	<u>Performance Change</u>
Number of Job Seekers Placed in Jobs by Workforce Services	4,898	5,934	
Number of Unique Businesses Assisted by Workforce Services (Recruitments, Trainings, Lay-Offs)	592	676	
Acres of Land Under Easements Inspected by Agricultural Services	2,036	1,000	
Percent of participants satisfied with DED sponsored technical assistance and training programs	94%	99%	



Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



DED At A Glance

What Department Does and for Whom

The mission of the Department of Economic Development (DED) is to make Montgomery County a globally competitive and highly diversified knowledge-based economy that provides for the retention and growth of existing companies, stimulates new job creation, and enhances entrepreneurial opportunities.

Marketing & Business Development promotes assets and opportunities in the county for domestic and foreign businesses; provides services to create new jobs & businesses, retains, attracts and grows existing businesses; strengthens key industry clusters; operates the incubator program.

Business Empowerment provides a variety of programs and services to the county's small and minority business community through creative initiatives and partnerships. Provides trainings, mentorship, assists small businesses with their compliance with county policies and regulations.

Workforce Services operates One-Stop career system to provide career assessment, job readiness, job training, and job placement services to job seekers. Provides recruitment assistance to businesses. The Workforce Investment Board provides policy oversight and guidance for workforce development activities.

How Much / How Many

- Total Operating Budget: \$ 5,434,416
- Total 38 positions and 29.05 full-time equivalents (FTEs)
- Additional 6.2 FTEs charged to other funds (EDF, Ag CIP, and Conference Center)
- \$1.78 million in operating budget supports the operation of five Business Incubator Centers.
- Administers the Economic Development Fund.

- Operating Budget: \$958,500
- Personnel Budget: \$813,369
- 6 positions (6 FTEs)
- Companies assisted: 319; 520 engagements
- Businesses attracted, expanded, retained: 11, 15, 1 respectively
- Total new capital investment: \$17 million.
- Marketing events: 142
- Foreign delegations hosted: 6
- Website page views: 78,114

- Operating Budget: \$63,001
- Personnel Budget: \$1,026,353
- 8 positions (7.75 FTEs)
- Number of technical assistance events and training sessions: 90
- Number of participants: 1,443
- Satisfaction rate: 99%
- Primary focus of expanding the LSBRP and MFD programs

- Operating Budget: \$135,080
- Personnel Budget: \$355,090
- 3 positions (3 FTEs)
- Number of jobs seekers assisted: 14,414
- Number of job seekers placed: 5,934
- Number of businesses served: 676
- Number of recruitments & job fairs: 65
- \$490,170 in county funds leverages \$2.74 million federal grants for Workforce Services



Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



DED At A Glance (cont.)

What Department Does and for Whom

Agricultural Services promotes agriculture as a viable component of the County's economy and preserves farmland as a resource for future agricultural production capabilities. Co-sponsors farmers' markets, an annual farm tour, and other activities. Provides farmers with zoning and master plan technical assistance and coordinates the County's Weed Control and Deer Donation.

Special Projects administers public-private partnership programs, capital projects, legislative activities, strategic planning and program development. Builds programmatic relationships with academic institutions and federal agencies. Oversees the SGLSC, East County LifeSci Village and manages Conference Center NDA. Conducts GSA related events.

Finance and Administration manages all administrative functions - fiscal, procurement, grant applications and monitoring, IT, human resources allocation and management, market research and data analysis, operating and capital improvement budgets. Administers four financing programs under the Economic Development Fund.

How Much / How Many

- Operating Budget: \$191,720
- Personnel Budget: \$348,753
- 10 positions (3.3 FTEs)
- Acres of land under easement inspected: 1,000

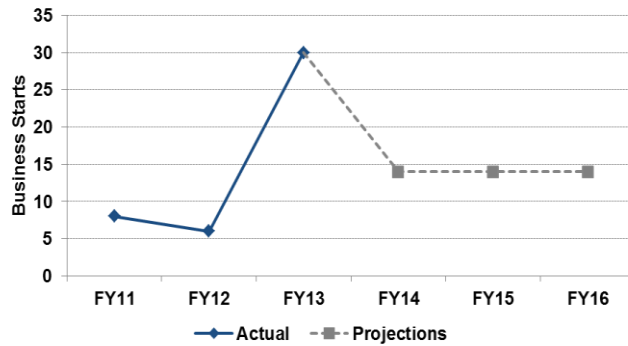
- Operating Budget: \$18,200
- Personnel Budget: \$550,130
- 5 positions (4 FTEs)
- Technology office park land developed and managed – 470 acres.
- Federal HHS and NOAA jobs retained
- Conference Center profits to the General Fund \$1,156,534

- Operating Budget: \$4,067,915
- Personnel Budget: \$669,822
- 6 positions (5 FTEs)
- Approved transactions – 3 awards, \$1.99M



Headline Performance Measure 1: Number of New Business Starts

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	8	6	30			
Projections				14	14	14

Factors Contributing to Current Performance

- Effective business incubator program
- Successful tech transfer program
- Presence of federal labs and institutes
- Significant resources and business assistance for start-ups
- Close working relationships with partners
 - SBTDC, BHI, MBDC, MD Women's Center

Factors Restricting Performance Improvement

- Lack of seed funding for start-ups
- Lack of dedicated staff for an accelerator program to connect start-up businesses with funding sources
- Unfavorable market conditions and perceived complexities of starting business in the county (permits, signage, costs, etc.)

Performance Improvement Plan

DED plans to work more closely with the federal labs and universities to identify tech transfer opportunities. In partnership with the BioHealth Initiative, the Maryland Women's Business Center, and the SBTDC, DED will continue providing resources, expertise and training to stimulate creation and growth of start-ups. DED is developing a new business assistance program for the incubator companies to accelerate their growth.

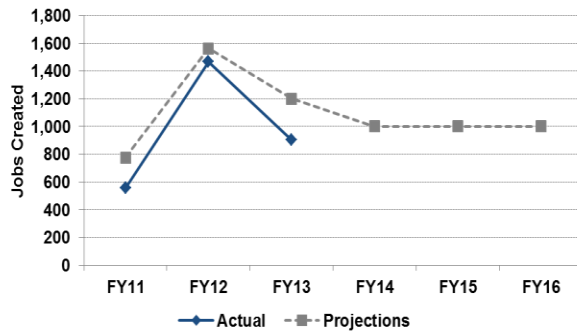


Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



Headline Performance Measure 2: Jobs Created by Existing Business Expansions, Attractions, and Start-Ups through DED Involvement

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	556	1,467	903			
Projections	777	1,562	1,200	1,000	1,000	1,000

Factors Contributing to Current Performance

- Abundance of business resources and proactive business organizations
- Availability of incentive programs
- Improvement in service delivery to business community
- Timely and varied business assistance
- Targeted attraction activities & marketing

Factors Restricting Performance Improvement

- Competitiveness of region's other jurisdictions in overall businesses conditions
- Scarcity of seed funding for early stage companies
- Lack of staff resources to court prospects long-term

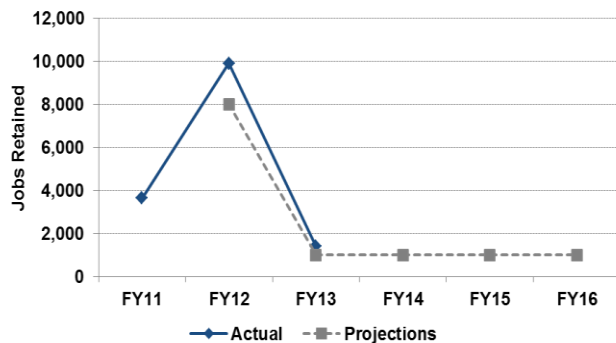
Performance Improvement Plan

- Improve strategic accounts (top employers, expiring leases, fastest growing, award-winning) management through relationship development and project support with documentation of interactions.
- Maintain a comprehensive database of County companies.
- Develop and implement a business appreciation program with multiple segments (web, e-blasts, recognition events, milestone acknowledgment).
- Develop and implement a strategy to enhance technology transfer from County R&D facilities to the business community through partnerships with organizations such as the Technology Development Corporation of Maryland and Federal Labs Consortium, BioHealth Initiative.
- Conduct regular (quarterly) prospect/project meetings with Park and Planning Commission, DHCA, DPS, and Regional Services Center to identify significant prospect activities and provide unified and seamless support services to complete the prospect/project transactions.
- Prudently use the Executive Regulation on Strategic Economic Development Project to deliver improved client services.



Headline Performance Measure 3: Jobs Retained (location decision, lease renewals) through DED Involvement

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	3,637	9,891	1,392			
Projections			8,000	1,000	1,000	1,000

Factors Contributing to Current Performance

- Consistent work with federal agencies
- Marketing of the county to the GSA
- Proactive approach to companies' needs
- Regular monitoring of expiring leases
- County's willingness to incentivize retention of major employers

Factors Restricting Performance Improvement

- Competition with other jurisdictions
- Lack of staff resources to identify prospects early on
- Unfavorable commercial lease rates in the county

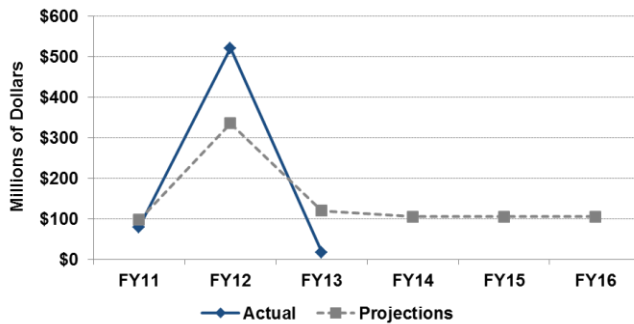
Performance Improvement Plan

- Currently building a directory of point staff in all government agencies that can trouble shoot business related issues
- Strengthen business organizations
- Communicate regularly with the local business community
- Monitor and influence federal leasing requirements
- Consistently reach out to major/strategic employers
- Develop close relationship with area landlords with vacant commercial properties.



Headline Performance Measure 4: Total New Capital Investment by Business Expansions, Attractions, and Start-Ups through DED Involvement (in millions)

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	\$79	\$521	\$17			
Projections	\$97	\$335	\$120	\$105	\$105	\$105

Factors Contributing to Current Performance

- Abundance of business resources and proactive business organizations
- Availability of incentive programs
- Improved service delivery to businesses
- Timely and varied business assistance

Factors Restricting Performance Improvement

- Depressed financial markets
- High cost of land/lease rates and long development process in the county
- High GSA cap rates for the county
- Higher vacancy and lower lease rates of commercial properties in surrounding jurisdictions

Performance Improvement Plan

Projections for this measure would be highly speculative. Investments by expanding companies in the county vary widely from year to year and depend on the specifics of each expansion project. Numbers provided above represent goals, rather than projections.

- Manage Strategic Accounts through relationship development and project support.
- Maintain a comprehensive database of County companies
- Develop and implement a business appreciation program
- Develop and implement a strategy to enhance technology transfer from the county R&D facilities to the boost business growth opportunities in the county
- Conduct regular (quarterly) prospect/project meetings with Park and Planning Commission, DHCA, DPS, and Regional Services Center to identify significant prospect activities and provide unified and seamless support services to complete the prospect/project transactions.
- Prudently use the Executive Regulation on Strategic Economic Development Project to deliver improved client services

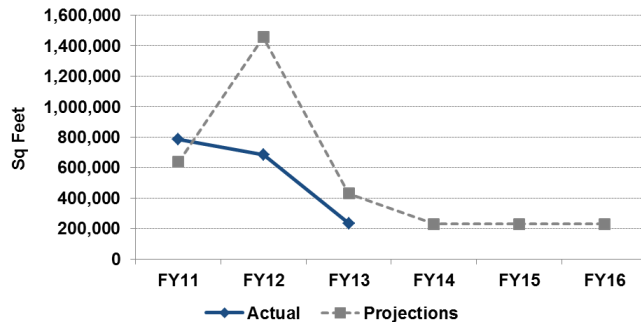


Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



Headline Performance Measure 5: Net New Commercial Space Occupied by Business Expansions, Attractions, and Start-Ups through DED Involvement (sq. feet)

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	784,671	685,307	232,206			
Projections	635,680	1,456,145	430,000	230,000	230,000	230,000

Factors Contributing to Current Performance

- Abundance of business resources and proactive business organizations
- Availability of incentive programs
- Improvement in service delivery to business community
- Timely and varied business assistance

Factors Restricting Performance Improvement

- Economic condition of the country
- Competitiveness of region's other jurisdictions in attracting businesses
- Limited staff capability to handle prospects
- Telecommuting & decreased space usage by companies

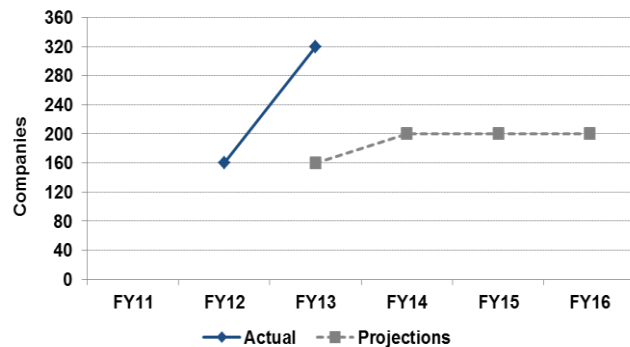
Performance Improvement Plan

Reliable projections are impossible, as net new commercial space by expanding businesses depends on the nature and scope of each expansion projects and is impossible to predict. Presented numbers are goals rather than projections.



Headline Performance Measure 6: Number of Companies that Received Business Assistance

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	N/A	160	319			
Projections			160	200	200	200

Factors Contributing to Current Performance

- Aggressive business visitation program
- Active communication with the local business community via social media and improved website

Factors Restricting Performance Improvement

- Limited staff & operating funds to sponsor events & programs
- Assistance often involves other county departments and unified service delivery is not always clearly identified

Performance Improvement Plan

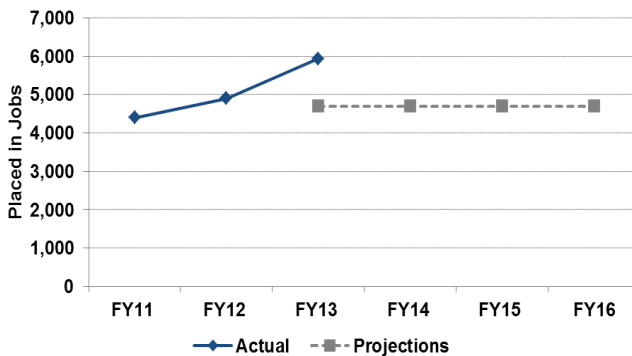
This is a new measure that reflects the scope of DED's work with the local business community.

Continue developing a clear, unified system between all county departments for service delivery to the businesses.



Headline Performance Measure 7: Number of Job Seekers Placed in Jobs by Workforce Services

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	4,393	4,898	5,934			
Projections			4,700	4,700	4,700	4,700

Factors Contributing to Current Performance

- Industry alliances help to target employer recruitments and forums
- Variety of training workshops for job seekers
- Industry specific training programs in Professional Services, IT, Administration, Healthcare and others
- Availability of discretionary grants

Factors Restricting Performance Improvement

- General state of the economy and employment trends

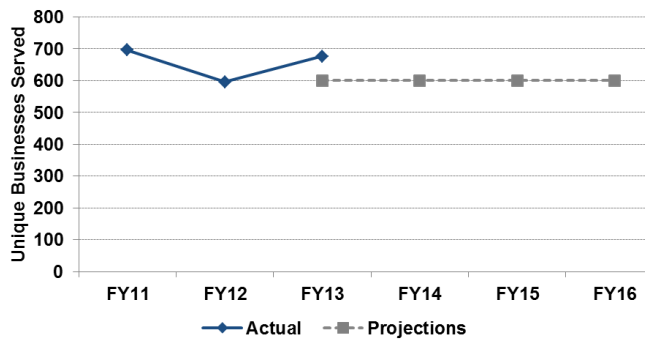
Performance Improvement Plan

The Workforce Investment Services is aiming to align all service delivery to industry needs. Based on high growth and high demand or high wages, Allied Health, Professional/Business Services, and Food Service/Hospitality will be targeted in the next few years. Workforce Investment Services will continue to provide industry specific training and job placement services to jobs seekers.



Headline Performance Measure 8: Number of Unique Businesses Assisted by Workforce Services for Recruitments, Trainings, and Lay-Offs

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	696	595	676			
Projections			600	600	600	600

Factors Contributing to Current Performance

- Established partnerships with HR teams of businesses
- Industry alliances with focus industries
- Extensive use of MD Workforce Exchange

Factors Restricting Performance Improvement

- Status of economy, hiring rates, other economic factors outside DED's influence

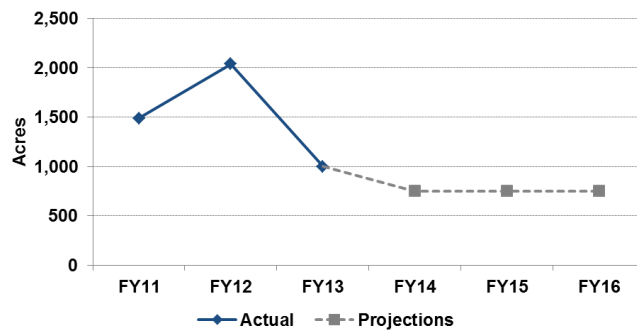
Performance Improvement Plan

Develop new relationships with employers in the County, and analyze how their workforce needs may be met through our services.



Headline Performance Measure 9: Acres of Land Under Easements Inspected

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	1,488	2,036	1,000			
Projections			1,000	750	750	750

Factors Contributing to Current Performance

- Increase participation in Agricultural Land Preservation Programs (BLT, MALPF and AEP)

Factors Restricting Performance Improvement

- Budget reduction leading to decrease of inspection staff from 1 FTE to part-time contractual summer employee
- Increase of Agricultural Preservation Easement acquisitions from 153 acres in FY11 to 550 acres in FY12

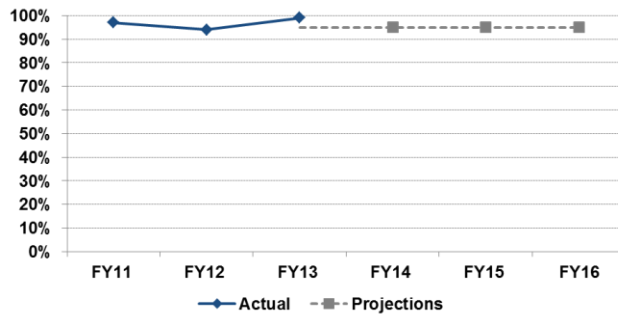
Performance Improvement Plan

DED Agricultural Services Division staff assigned to the County's Agricultural Land Preservation Programs was reduced from 2 FTE to 1.5 FTE during FY11. This has led to less available staff to run program (Easement Contracting and Acquisitions, Easement Services and Easement Stewardship (inspections) and Reporting Requirements). During FY12, the program's FTE was reduced from 1.5 FTE to 1.0 FTE which resulted from budgetary reduction mandate by the County Executive. This outcome led to DED Ag Services working with former employee through a temporary employment service to provide part time (summer employment) to help DED Ag Services with conducting easement inspections. It is unsure how much assistance or funding that will be available in FY13 and beyond for hiring temporary staff. It is presumed that this environment will account for less acreage that can inspected on an annual basis by the Program Administrator as time for conducting inspections must be split between other aspects and duties associated with the Agricultural Land Preservation Program. This means a greater overall workload for 1 FTE Program Administrator for the next FY as well as the foreseeable future. The Program Administrator will make it a priority to ensure that at a minimum 1,000 acres will be inspected in FY13 and 750 acres in both FY14 and FY15. Increased interest in the County's Building Lot Termination Program is projected to increase during FY14 and FY15.



Headline Performance Measure 10: Percent of Participants Satisfied with DED Sponsored Technical Assistance and Training Programs

Performance Trends



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	97%	94%	99%			
Projections			95%	95%	95%	95%

Factors Contributing to Current Performance

Having the ability to provide timely information in a clear and concise manner encourages businesses to attend our events

Factors Restricting Performance Improvement

Only satisfaction for DED sponsored events is measured, while satisfaction rate for DED co-sponsored events may or may not be measured by our partners and other resource providers

Performance Improvement Plan

- Use the results of the evaluations done following DED sponsored events to change/adapt training format and content to continue to meet the needs of the business community.
- Improve the rate of collection of surveys
- Capture satisfaction rating for DED co-sponsored events



Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



Responsive and Sustainable Leadership:

Responsive and Sustainable Leadership has been the cornerstone of the County Executive's vision for Montgomery County government. To advance this vision, we have identified eight overarching goals for all County departments:

1) Effective and Productive Use of the Workforce/Resources:

Department actively works to effectively and productively use its workforce/resources, including, but not limited to, better management of overtime, implementation of productivity improvements, reduction of ongoing costs, and efficient use of other resources.

- a) *%increase/ decrease in average overtime hours used by all full-time, non-seasonal employees.*

DED did not record any overtime hours in FY12 and only 8 overtime hours in FY13.*

(Source: CountyStat)

- b) *0.6 percentage point decrease in average Net Annual Work hours for all full-time, non-seasonal employees.**

(Source: CountyStat)

**The values are based on the employee's HR Organization and not assigned Cost Center(s).*

2) Internal Controls and Risk Management:

Department actively assesses its internal control strengths, weaknesses, and risks regarding compliance with laws, regulations policies and stewardship over County assets. Department reviews and implements Internal Audit recommendations in a systematic and timely manner, and proactively manages risk pertaining to improving workplace safety, decreasing work-related injuries, and reducing County exposure to litigation.

- a) *0 Audit report recommendations were issued since issuance of the audit report*

(Source: Internal Audit will provide to CountyStat)

- b) *Economic Development had no work related injuries in FY12 or FY13 (Source: Risk Management)*



Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



3) **Succession Planning:**

Department actively plans for changes in its workforce, in order to maintain continuity of services, develop staff capabilities, maintain and/or transfer knowledge, and enhance performance.

- a) *List all the key positions/functions in your department that require succession planning (Source: Department Survey)*

Positions: Chief Operating Officer, Administrative Specialist II, Business Development Specialist III, Manager II (Division Chief of Special Projects)

- b) *25%* of those identified key position/functions have developed and implemented long-term succession planning (Source: Department Survey)*

*Note: 100% of positions have an informal succession planning process implemented

4) **Mandatory Employee Training:**

Department systematically monitors and actively enforces employees' mandatory and/or required trainings.

25% of department's employees who have fulfilled mandatory County/State/Federal training requirements (Source: Department)

The current county requirements on mandatory training are:

All Staff

LEP – taken once by new hires; Security Awareness (ISATP) – a computer based training courts taken by all County Employees within the first 3 months of employment ; Preventing Workplace Harassment – taken at hire then every 3 years;

For Managers and Supervisors:

Interviewing and Selecting Employees; American's with Disability Act ; Don't Let it Happen to You – Workplace Violence; EEO/Diversity for Management – taken every 3 years; Introduction to Managing in a Union Environment;

Planning for Excellence: Performance Management Basics

Due to the staff shortage and extreme workloads, DED staff training mainly focused on Enterprise Resource Planning (ERP) system training as required by the County's migration to the ERP. Beginning in FY13, DED will carefully monitor its compliance with the mandatory training requirements, and if necessary, build in the requirement to the Performance Evaluation process of each employee.



Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



5) Workforce Diversity and MFD Procurement:

Department actively participates in the recruitment of a diverse workforce and enforcement of MFD procurement requirements.

Workforce Diversity: The department actively participates in the recruitment of a diverse work force and MFD procurement requirements.

MFD/LSBRP: refer to or attached summary yearly report prepared by DGS
(Source: Department provides and CountyStat validates) ([Link to report](#))

\$183,988 total awards, which represents 64.9% of total dollars

6) Innovations:

Department actively seeks out and tests innovative new approaches, processes and technologies in a quantifiable, lean, entrepreneurial manner to improve performance and productivity.

Total number of innovative ideas/project currently in pipeline for your department, including the ones initiated in coordination with the Montgomery County Innovation Program. (Source: Department)
Expected (or achieved) return on investment for each of those innovative ideas/projects, quantified in terms of at least one of the following measures: increased effectiveness/efficiency, cost savings/avoidance, increased transparency/accountability, or increased customer satisfaction. (Source: Department)

- Planning is underway to incorporate various business resource partners in the County to upload their business support programs and events in DED's webpage calendar directly to provide centralized event and program calendar to businesses. Expected full launch in mid-FY13.
- Fully integrated Data.com, an online directory of business contacts and account data (D&B.com) to the Department's prospect monitoring database. Data synchronization is done on a weekly basis. This allows the Department to have, by late FY13, most of the County's businesses that have URLs and/or emails in the database for broad circulations of eNewsletters, dissemination of general and special marketing messages.
- Created a Chief Science Officer (CSO) Course in collaboration with Montgomery College, Foundation for Advanced Education in the Sciences (FAES), Human Workflows, and the Federal Laboratories Consortium (FLC). This 45 hour boot camp provides the attendees with the tools, knowledge, and skills needed to move up the career ladder from research into scientific management and leadership in the federal, academic, or commercial management. This program is expected to produce the critical volume of upper level managerial candidates equipped with both the academic research background, and business acumen for the early-stage high tech companies in the County, often in dire needs of filling the CSO positions.



Montgomery County Department of Economic Development FY2013 Performance and Accountability Report



7) Collaborations and Partnerships:

Department actively participates in collaborations and partnerships with other departments to improve results beyond the scope of its own performance measures. Please only list accomplishments that had positive results for other department(s) as well.

*a) Total \$\$ saved by through collaborations and partnerships with other departments
(Source: Department)*

b) List your accomplishments and/or expected results (Source: Department)

- Developed an MOU with the Federal Laboratory Consortium to facilitate more robust technology transfer from the bench to local businesses.
- Developed a partnership with the Rockville Women Business Center to deliver wider variety of business support services to women entrepreneurs.
- DED is working with the Department of General Services to expand the business participation in the Local Small Business Reserve Program (LSBRP), and promoting the use of LSBRP vendors to county's major employers and public school system.
- DED is working with the Department of Environmental Protection to promote the new Green Business Certification Program to County companies.
- DED is partnering with Department of Environmental Protection on Energy Block Grant, and Energy Efficiency and Conservation Plan Block grants to contain a workforce training component.
- DED is working with the Department of Corrections and Rehabilitation to secure funding to continue the Re-entry Program.
- Partnering with Office of Cable and Communications Services on proposal for public computer centers that would have brought new computers into the one-stop career centers

8) Environmental Stewardship:

Department actively makes appropriate changes to workplace operations, workflow, employee behavior, equipment use, and public interactions to increase energy-efficiency, reduce its environmental footprint, and implement other environmentally responsible practices.

a) 2% increase in print and mail expenditures (Source: CountyStat)

b) 40% increase in paper purchases (measured in total sheets of paper) (Source: CountyStat)

c) List your accomplishments and/or expected results (Source: Department)

- DED participates in the Montgomery County Green Business Certification Program
- Interim steps towards certification that DED has already taken include:
 - Purchasing recycled paper goods (napkins, paper towels, printer paper)
 - Replacing disposable coffee and drinking cups with reusable mugs and drinking glasses
 - Replacing single-serving condiment packets (salt and pepper, sugar and artificial sweetener) with refillable dispensers
 - Recycling all allowable items
 - Making double-sided printing the default option on all office printers where possible
 - Encouraging staff to "think before they print"
 - Turning off office lights and computers during extended office absences
- Over the coming year, DED will work to meet all of the criteria necessary to attain certification and serve as a model for our private sector partners.